

In response to your request for comments on the program to finance household water well systems:

1. I represent a private non-profit in rural northern Michigan, a Community Action Agency called Northwest Mich. Human Services Agency. I administer Community Development Block Grant funds from Mich. State Housing Dev. Authority. We primarily rehab. houses and sometimes replace old single wides.

Over the last two year grant period we administered \$750,000 in CDBG funds which included replacing or repairing nine wells for rural homeowners, ranging from \$1,000 for a repair to \$7,000 for a 265 ft. deep well.

I have been the main administrator for this grant for the past six years and my experience includes coordination of rehab. projects from the application process to signing mortgages to obtaining leverage to inspections of projects and ensuring all permits are signed off.

2. I can almost always find matching funds for my projects from USDA R.D. or Social Services State Emergency Relief, Federal Home Loan Savings Bank forgivable loans, Veterans, the homeowners and maybe in the future from your new program! You should give priority to those grantees who help homeowners obtain leverage.

3. In most cases my clients cannot afford much of a contribution to the project. Most of my clients are on a fixed SS or SSD income, often at 30-50% AMI.

4. We would need to receive admin. fees if we administered the funds. We receive 18% of our CDBG grants.

5. The only problem I have now with using USDA R.D. financing is their requirement for good credit history from the loan applicants. Would that be an issue with this loan program? If so, your pool of qualified recipients will diminish greatly. At least by extending the loan period out to a maximum of 20 years you are being practical about the amount of monthly payment that this population is capable of paying.

6. I think there are enough qualifications for obtaining this financing (income eligibility, match requirement) and by the time they go through the application process for a home equity loan, for example, in order to get a denial before they could apply for this loan, they will have been without a well for maybe three weeks. Keep in mind the emergent circumstances of being without water.

7. A well that needs repair or replacement.

Signed,

Cathy Odom
Construction Coordinator
Northwest Mich. Human Services Agency